



BOWLER METCALF LIMITED

Interim Results Presentation

December 2020

Agenda

- Welcome
- Group Results
- Packaging Results & Overview
- What Lies Ahead?



Group Results

R'm	2020	2019
HEPS (cents)	67,6	53,5
	<i>Increase of 26%</i>	
Headline Earnings (R'm)	R48,8	R42,8
	<i>Increase of 14%</i>	

- HEPS impacted by previous period share buy-backs
- Property segment slight increase in earnings
- Holdings segment (Bowler Metcalf) decrease in earnings due to substantial decrease in interest rates



Group Results (continued)

- Fixed Assets
 - Plant & Equipment R26m
 - Investment Property R3m
- Working Capital
 - Additional investment due to higher trading levels
 - ‘Covid’ having a negative impact on debt collection
- Cash Flow
 - Slightly down for the period
 - Positive operating cash flow applied to capex (R29m) and treasury share purchase (R4,6m)
 - R125m allocated to higher yielding cash investments
- 14% increase in ordinary interim dividend





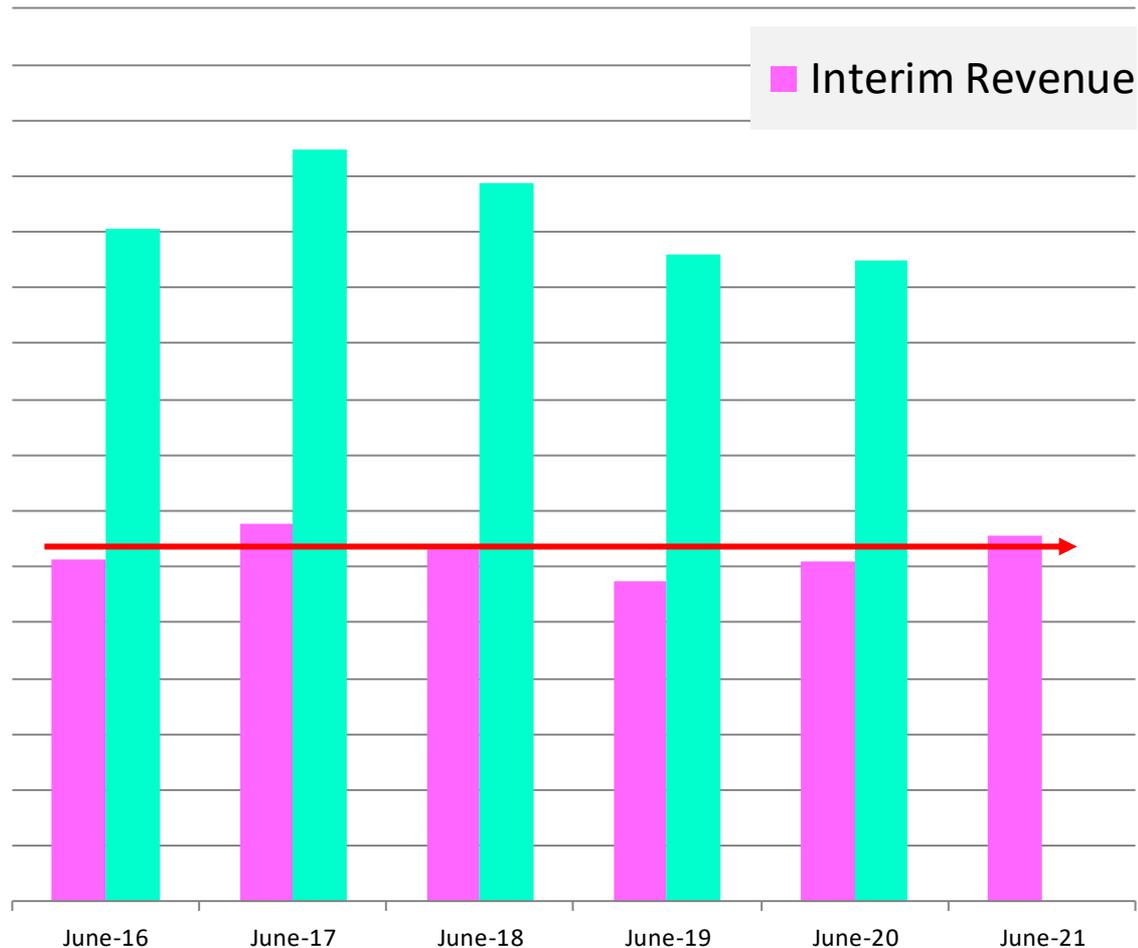
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PACKAGING

Results and Overview

Packaging Results

Inflation Adjusted, Packaging Revenue R'm



Revenue increase

- ❖ Mainly volume related (surprising?)
- ❖ Diverse product range
- ❖ Customer centricity
- ❖ Resilience from informal sector
- ❖ 'Trajectory' in line for H1



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Plastics Results (continued)

- Margins
 - Flat....pricing pressure mitigated by good cost control
- Operating Costs
 - ❖ Focused hands-on operational management
 - ❖ Disciplined teams in challenging times
 - Overall benefit of volumes
 - Good cost saving initiatives...especially warehouse & supply chain

 - Covid risk mitigation costs
 - Covid 'lost work hours' cost (?)



Overview

- Capex
 - ❖ Plant & Equipment
 - Technology (including to reduce reliance on imports)
 - Bespoke projects
 - Upgrades & replacement
 - Energy cost management
 - Expansion and restructure of facilities
 - ❖ Building
 - Epping premises (investment property)
 - Philippi warehouse
- Opex
 - ❖ Organisational Development





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What lies Ahead ?

The Chosen Route

- ❖ Property Development for expansion and cost effectiveness
- ❖ Recovery and growth in Packaging business
 - NBD
 - Business line expansion
- ❖ Digitalisation
- ❖ Organisational development



The VUCA Landscape

- ❖ Revenue Stress (Covid / SA Inc)
 - Economic outlook murky / slow down
 - Consumers discretionary spending
 - Cost recovery from price increases?

- ❖ Costs and Risks (Covid / Global / Eskom)
 - Raw material price escalation and supply uncertainty
 - In-bound supply chain ‘groaning’
 - Load shedding



Beacons along the Way

- ❖ Share buy-back
- ❖ Energy and other cost optimization in progress
- ❖ Exciting projects environment
- ❖ Proposition for business line expansions identified





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Thank You